

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 EA-07 IO-11 ISO-00 FEA-01 ERDA-05

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FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 108

INFO AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY BERN

AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY CARACAS

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USDEL MTN GENEVA

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C) SPECIAL MEASURES TO RSTORE THE FOLLD AND AGRICULTURAL
PRODUCTIVE CAPACITY OF (1) THE SAHEL RETION OF AFRICA
AND OTHER FAMINE-THREATENED AREAS, AND (2) THE AREAS
PERIODICALLY AFFECTED BY SERIOUS DROUGHTS AND FLOODS.

C) SPECIAL MEASURES TO RESTORE THE FOOLD AND AGRICULTURAL
PRODUCTIVE CAPACITY OF (1) THE SAHEL REGION OF AFRICA
AND OTHER FAMINE-THREATENED AREAS, AND (2) THE AREAS
PERIODICALLY AFFECTED BY SERIOUS DROUGHTS AND FLOODS.

3.7 DEVELOPMENT OF INFRASTRUCTURE: TECHNICAL AND FINANCIAL

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SUPPORT TO DEVELOPING COUNTRIES IN THE DEVELOPMENT OF
INFRASTRUCTURE.

A) SOCIAL INFRASTRUCTURE SUCH AS EDUCATION AND PUBLIC
HEALTH.

B) ECONOMIC INFRASTRUCTURE SUCH AS TRASNPOT, COMMUNCATION,
ELECTRIFICATION AND IRRIGATION, INCLUDING RESTORATION

OF INSTALLATIONS DESTROYED IN NATURAL DISASTERS.
AS A MEANS OF EMPLOYING UNUSED PRODUCTION CAPACITY
IN INDUSTRIALIZED COUNTRIES, CAPITAL GOODS REQUIRED
SHOULD BE MANUFACTURED AND SUPPLIED TO THOSE COUNTRIES
ON A LONG-TERM CREDIT BASIS.

3.8 MAIN FACTORS HAVING AN IMPACT ON THE BALANCE OF
PAYMENTS OF THE DEVELOPING COUNTRIES. WAYS AND
MEANS OF SOLVING THE CORRESPONDING PROBLEMS.

3.9 INTERNATIONAL ACTIONS TO COMBAT POLLUTION.

3.10 SPECIAL REQUIREMENTS OF THE MOST SERIOUSLY AFFECTED
COUNTRIES, ESPECIALLY THE LEAST DEVELOPED, THE LAND-LOCKED AND
THE ISLAND COUNTRIES AMONG DEVELOPING COUNTRIES.

3.11 PERMANENT SOVEREIGNTY AND EFFECTIVE CONTROL OF
DEVELOPING COUNTRIES OVER THEIR NATURAL RESOURCES
AND ALL ECONOMIC ACTIVITIES, INCLUDING THE RIGHT
OF NATIONALIZATION, IN ACCORDANCE WITH THEIR
NATIONAL LEGISLATIONS.

4. FINANCE

4.1 OFFICIAL DEVELOPMENT ASSISTANCE AND FINANCIAL CO-OPERATION

A) MEASURES TO INCREASE THE FLOW OF FINANCIAL RESOURCES
IN A SECURE, STABLE AND PREDICTABLE MANNER, TO
DEVELOPING COUNTRIES, INCLUDING:

- FIRM COMMITMENT TO REACH THE TARGET OF AID,
MEASURED NET OF AMORTIZATION AND INTEREST,
OF 0.7 PER CENT OF GNP WITHIN A SPECIFIED TIME PERIOD;

- INCREASE IN THE RESOURCES OF THE WORLD BANK,
IDA, IFC, REGIONAL FINANCIAL INSTITUTIONS AND
OTHER BODIES IN THE UN SYSTEM, WITHOUT PREJUDICE
TO BILATERAL DEVELOPMENT ASSISTANCE FLOWS;

- BROADENING OF ACCESS TO, AND INCREASING THE SIZE
OF, THE THIRD WINDOW IN THE WORLD BANK AND
ESTABLISHING ITS PERMANENCE;

- ESTABLISHMENT OF A LINK BETWEEN THE ALLOCATION
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OF SDR'S AND DEVELOPMENT ASSISTANCE.

B) MEASURES TO SOFTEN THE TERMS AND CONDITIONS OF FINANCIAL
ASSISTANCE TO THE DEVELOPING COUNTRIES, INTER ALIA,
THROUGH:

- INCREASE IN THE GRANT ELEMENT;
- INCREASE IN THE DURATION OF LOANS;
- UNTYING OF ALL FOREIGN FINANCIAL ASSISTANCE.

C) REVIEW OF THE POLICIES AND PROCEDURES OF MULTILATERAL
ASSISTANCE INSTITUTIONS TO IMPROVE THE CONDITIONS OF
UTILIZATION OF THEIR RESOURCES BY DEVELOPING COUNTRIES
INCLUDING THE BROADENING OF REFINANCING EXPORT CREDIT
FACILITIES, AS WELL AS THE INCREASE IN THE SHARE OF
DEVELOPING COUNTRIES IN THE PROCUREMENT OF EQUIPMENT,
CONSULTANTS AND CONSULTANCY SERVICES.

4.2 BALANCE OF PAYMENTS PROBLEMS OF DEVELOPING COUNTRIES

A) REVIEW OF THE BALANCE OF PAYMENT CONDITIONS OF DEVELOPING COUNTRIES; INCLUDING THE IMPACT OF THE WORLD INFLATION AND RECESSION ON THEIR ECONOMIES, AND MORE PARTICULARLY THE EFFECTS OF HIGHER COSTS OF IMPORTS OF MANUFACTURES GOODS, SERVICES, ENERGY, FOOD, FERTILIZERS AND OTHER COMMODITIES AND RAW MATERIALS, AS WELL AS THEIR INCREASING FOREIGN DEBT BURDEN.

B) MEASURES TO INCREASE THE FLOW OF RESOURCES TO ALLEVIATE THE BALANCE OF PAYMENTS PROBLEMS OF DEVELOPING COUNTRIES:

- INCREASE IN THE RESOURCES OF THE IMF;
- INCREASED USE OF IMF RESOURCES BY DEVELOPING COUNTRIES;
- EXTENSION OF THE OIL FACILITY OF THE FUND IN FAVOR OF DEVELOPING COUNTRIES, AND INCREASED CONTRIBUTION BY DEVELOPED COUNTRIES TO THE FACILITY AND ITS SUBSIDY ACCOUNT;
- EXPANSION AND IMPROVEMENT OF COMPENSATORY FINANCING FACILITY OF THE IMF TO MEET EXPORT SHORTFALLS;
- ALLOCATION OF FREE ADDITIONAL LIQUIDITY TO DEVELOPING COUNTRIES BY THE IMF;
- EXPANSION AND IMPROVEMENT OF BUFFER STOCKS FINANCING BY THE IMF;
- ESTABLISHMENT OF A TRUST FUND IN FAVOR OF DEVELOPING COUNTRIES.

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C) MEASURES TO IMPROVE THE TERMS AND CONDITIONS OF FINANCIAL RESOURCES AVAILABLE FOR BALANCE OF PAYMENTS REQUIREMENTS OF DEVELOPING COUNTRIES., GIVING DUE ATTENTION, PARTICULARLY BY INTERNATIONAL FINANCIAL INSTITUTIONS, TO THE SHORT-TERM PROBLEMS AND POLICIES OF THE DEVELOPING COUNTRIES.

D) SPECIAL PROBLEMS OF DEVELOPING COUNTRIES IN THE WORKING OF THE ADJUSTMENT PROCESS: NEED FOR AMENDING THE RULES GOVERNING THAT PROCESS AND FOR ASSISTANCE FROM DEVELOPED COUNTRIES TO DEVELOPING COUNTRIES.

4.3 PROBLEMS OF FOREIGN DEBT BURDEN OF DEVELOPING COUNTRIES

MEASURES BY DEVELOPED COUNTRIES TO MITIGATE THE FOREIGN DEBT BURDEN OF DEVELOPING COUNTRIES, WITH SPECIAL ATTENTION TO THE SITUATION AND THE MOST SERIOUSLY AFFECTED COUNTRIES, INCLUDING THE RESCHEDULING OF PAYMENTS AND/OR CANCELLATION OF ODA (OFFICIAL DEVELOPMENT ASSISTANCE) DEBTS AND THEIR SERVICE PAYMENTS OF DEVELOPING COUNTRIES, ESPECIALLY THE MSAC'S (AND MORE PARTICULARLY THE LEAST DEVELOPED; CONSOLIDATION OF COMMERCIAL DEBTS AND RESCHEDULING OF PAYMENTS OF LDC'S AT MARKET RELATED

INTEREST RATES OVER A LONG PERIOD, WHEN REQUESTED
AND JUSTIFIED.

4.4 INCREASED INFLOW OF FOREIGN CAPITAL TO DEVELOPING COUNTRIES

A) MEASURES TO INCREASE THE ACCESS OF DEVELOPING
COUNTRIES TO THE FINANCIAL RESOURCES IN THE
CAPITAL MARKETS, INCLUDING EXPORT CREDITS,
THROUGH VARIOUS SYSTEMS OF GUARANTEES, ELIMINATION
OF RESTRICTIVE MEASURES IMPOSED BY DEVELOPED
COUNTRIES ON ACCESS TO THEIR CAPITAL MARKETS,
DEVELOPMENT OF CO-FINANCING BY INTERNATIONAL FINANCIAL
INSTITUTIONS AND THE BANKING SYSTEM, ETC.

B) MEASURES TO INCREASE FOREIGN INVESTMENT IN
DEVELOPING COUNTRIES, WITHIN THE FRAMEWORK OF
THEIR NATIONAL POLICIES AND LEGISLATIONS, AS WELL
AS THE SOVEREIGNTY OF NATIONS OVER THEIR NATURAL
RESOURCES; MEASURES TO INCREASE THE BENEFITS OF
FOREIGN INVESTMENTS TO DEVELOPING COUNTRIES, WHEN
NECESSARY, THROUGH REVISION OF ARRANGEMENTS WITH
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FOREIGN FIRMS TO SAFEGUARD THE INTERESTS OF
DEVELOPING COUNTRIES.

4.5 EXPANSION OF CO-OPERATION AMONG DEVELOPING COUNTRIES
IN THE FIELDS OF TRADE, DEVELOPMENT AND FINANCE, AND
ASSISTANCE AND SUPPORT BY DEVELOPED COUNTRIES AND THE
UNITED NATIONS SYSTEM, AS AND WHEN REQUESTED, TO
PROMOTE SUCH CO-OPERATION.

4.6 PROBLEMS OF THE FINANCIAL ASSETS OF THE OIL EXPORTING COUNTRIES

MEASURES REGARDING THE SPECIAL CASE OF THE FINANCIAL
ASSETS OF THE OIL-EXPORTING COUNTRIES, WITHOUT
PREJUDICE TO THE TRADITIONAL POSITIONS TAKEN BY
DEVELOPING COUNTRIES AT INTERNATIONAL FORUMS AND
THEIR NATIONAL POLICIES AND LEGISLATIONS WITH REGARD
TO FOREIGN INVESTMENT.

BECAUSE OF THE RAPID DEPLETION OF THE NATURAL
RESOURCES OF THE OIL EXPORTING COUNTRIES - IN
ORDER TO SATISFY THE ENERGY REQUIREMENTS OF THE
DEVELOPED COUNTRIES - THEY HAVE ACCUMULATED A
TEMPORARY FINANCIAL SURPLUS BEYOND THEIR INTERNAL
ABSORBATIVE CAPACITY; THE FOLLOWING EFFECTIVE STEPS
SHOULD BE TAKEN BY THE DEVELOPED COUNTRIES REGARDING
THE INVESTMENT OF THESE ASSETS IN THEIR MARKETS:

A) GREATER ACCESS TO FINANCIAL MARKETS AND OTHER
INVESTMENT OPPORTUNITIES IN DEVELOPED COUNTRIES;

B) NON-DISCRIMINATORY TREATMENT OF SUCH INVESTMENTS
AND ASSETS IN DEVELOPED COUNTRIES;

C) PROTECTION OF THE REAL VALUE OF FINANCIAL ASSETS
AGAINST INFLATION AND CURRENCY DEPRECIATION IN
DEVELOPED COUNTRIES.

D) COMMITMENTS BY THE DEVELOPED COUNTRIES TO SAFEGUARD THE INVESTMENTS OF THE OIL EXPORTING DEVELOPING COUNTRIES IN THEIR MARKETS AGAINST:

- CONFISCATION, FREEZING AND ANY OTHER COERCIVE MEASURES TO DEPRIVE THESE COUNTRIES OF THEIR INVESTMENTS AND INCOME THEREFROM. IN CASE OF EXPROPRIATION AND NATIONALIZATION, DEVELOPED COUNTRIES SHOULD GUARANTEE AN APPROPRIATE COMPENSATION.

- UNWARRANTED RESTRICTIONS ON PROMPT CONVERSION AND TRANSFER OF INVESTMENT AND INCOME THEREFROM
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FROM HOST COUNTRY'S CURRENCY INTO FREELY CONVERTIBLE CURRENCIES AT AGREED RATES.

4.7 RELEVANT ASPECTS OF INTERNATIONAL MONETARY REFORM INCLUDING:

A) INCREASED ROLE OF DEVELOPING COUNTRIES IN INTERNATIONAL FINANCIAL INSTITUTIONS AND THEIR EFFECTIVE PARTICIPATION IN DECISION-MAKING PROCESS CONCERNING THE INTERNATIONAL FINANCIAL AND MONETARY PROBLEMS.

B) UNFAVOURABLE EFFECTS OF FLUCTUATING EXCHANGE RATES OF MAJOR CURRENCIES ON DEVELOPING COUNTRIES AND THE NEED FOR AN EARLY RETURN TO AN EXCHANGE-RATE SYSTEM OF GREATER STABILITY.

C) MAKING THE SDR THE PRINCIPAL RESERVE ASSET IN THE INTERNATIONAL MONETARY SYSTEM AND THE ELIMINATION OF THE ROLE OF GOLD.

D) CONTROL OF INTERNATIONAL LIQUIDITY CREATION AND ITS FAIR DISTRIBUTION; PROBLEMS OF CONVERTIBILITY CONSOLIDATION AND MANAGEMENT OF CURRENCY RESERVES; PROBLEMS RESULTING FROM THE ELIMINATION OF THE OFFICIAL PRICE OF GOLD.

4.8 WORLD INFLATION AND RECESSION

A) REVIEW OF THE IMPACT OF WORLD INFLATION AND RECESSION ON DEVELOPING COUNTRIES, PARTICULARLY ON THEIR DEVELOPMENT, PRODUCTION, EXPORT EARNINGS, TERMS OF TRADE, AND FINANCES.

B) MEASURES TO BE TAKEN BY THE WORLD COMMUNITY TO IMPROVE INTERNATIONAL ECONOMIC CONDITIONS AND TO ALLEVIATE THE ADVERSE EFFECTS OF FLUCTUATIONS IN INTERNATIONAL ECONOMIC ACTIVITY AND PRICES ON DEVELOPING COUNTRIES.

4.9 RECOMMENDATIONS OF OTHER COMMISSIONS PROGRAMMES AND MEASURES REFERRED TO THE COMMISSION ON FINANCE BY THE OTHER THREE COMMISSIONS.

4.10 SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED, LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES.

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